
Unionization of Non-Regular Workers by Enterprise Unions

Shuichi Hashimoto

Kokugakuin University

In recent years, there has been a growing move among enterprise unions to unionize non-regular workers. Consequently, there has been a change in the downtrend of the unionization rate that had continued for many years. This paper explains the factors behind the growing unionization movement as well as its benefits, challenges and significance based on an analysis of advanced cases of unionization. An increase in non-regular workers has created problems related to work motivation, employee retention and workplace communication, thereby affecting corporate earnings. The growing sense of crisis about this situation has prompted unions to unionize non-regular workers, who have come to form a core workforce. Unions have made efforts to improve working conditions, leading to increased union activity. With their influence increased, unions have come to play a significant role. The move to unionize non-regular workers represents an attempt to reconstruct the internal labor market through the unionization of the core workforce as a whole and to rebuild the original function of enterprise unions so as to enable the unions to play their original role.

I. Introduction

In Japan, employees other than regular workers account for a third of the overall labor force. According to the Labour Force Survey, conducted by the Ministry of Internal Affairs and Communications, the average number of non-regular workers in 2010 totaled 17.08 million, up from 6.55 million in 1985, and accounted for 33.7% of the overall workforce, up from 16.4%.

Although the unionization rate has long been declining, there have been signs of a change in the downtrend in recent years. According to the Basic Survey on Labour Unions, conducted by the Ministry of Health, Labour and Welfare, the peak of the estimated unionization rate since 1956 was 35.4%, registered in 1970, and the rate has continued to decline since it stood at 34.4% in 1975. The number of union members consistently declined after peaking at 12,698,847 in 1994. In 2006, the number of union members hit a low of 10,040,580, with the unionization rate dropping to as low as 18.2% from 24.1% in 1994. However, in recent years, the decrease in the number of union members appears to have come to a halt: the number stood at 10,079,614 in 2007, at 10,064,823 in 2008 and at 10,077,506 in 2009. In addition, the unionization rate rose to 18.5% in 2009, after declining for 34 consecutive years. In 2010, the unionization rate remained unchanged at 18.5%.

While it would be premature to conclude from these figures alone that the unionization rate has entered a recovery phase, the number of unionized non-regular workers has continued to rise in recent years. The estimated unionization rate among part-time workers continued to increase slightly in the 2%-3% range in the 1990s and then, the rate started to

rise at a faster pace, coming to 3.0% in 2003, to 3.3% in 2005 and to 4.3% in 2006. It stood at 4.6% in 2007, at 5.0% in 2008, at 5.3% in 2009 and at 5.6% in 2010. These factors have brought about a change in the long-term downtrend in the overall unionization rate.

We have observed new activities, including the unionization of non-regular workers by enterprise unions and the formation of unions by non-regular workers themselves. RENGO (the Japanese Trade Union Confederation) established a joint council of part-time workers during the *shunto* spring wage-negotiation season and set forth a policy of improving working conditions for and unionizing part-time workers and other non-regular workers. RENGO and Zenroren (National Confederation of Trade Unions) are stepping up activities related to non-regular workers, including the establishment of the Non-Regular Workers' Center, and these activities are developing into a social movement.

What does the move to unionize non-regular workers and improve working conditions for them mean for union activities in Japan, which have traditionally focused on the interests of regular workers, and for the future of labor-management relations in the country? This paper provides a brief overview of cases in which non-regular workers were unionized by enterprise unions, which started happening in recent years, and explain factors behind this movement, its benefits and the challenges that remain to be overcome. In light of these, the paper examines the significance of the unionization of non-regular workers in recent years and demonstrates that it is an attempt to rebuild the role and function of enterprise unions.¹ Below, we take up 10 cases that we examined based on hearings conducted between December 2007 and October 2008.²

II. Overview of Cases of Unionization and Their Four Types

We classified 10 cases of the unionization of non-regular workers into four types, according to the characteristics of the unionized non-regular workers concerned. Below, we explain the classification of the unionization of non-regular workers while providing a brief overview of each case.

¹ This paper is based on *Employment of Non-Regular Workers and Roles of and Prospects for Enterprise Unions*, which was the second report concerning the common theme of the fiscal 2009 spring conference (118th conference) of the Society for the Study of Social Policy (held at College of Law, Nihon University, on May 23-24) "Transformation of Welfare Society and Labor Unions." Hashimoto's paper (2009, 2010) is based on this report.

² This survey was conducted by the Survey and Research Committee on Labor Union Activities in Japan in the 21st century (chief researcher: Keisuke Nakamura) of the Research Institute for Advancement of Living Standards. A report entitled *Survey Report on the Unionization of Non-Regular Workers* (Research Institute for Advancement of Living Standards, January 2009) was issued in relation to this survey. For the details of the individual cases, refer to this report. Keisuke Nakamura (2009) wrote a paper based on this report. His paper examines the implications of the cases and gives plain explanations while providing practical advice.

1. Unionization of Workers with Short Hours

In the following four cases, a large number of non-regular workers, including workers with short hours, were unionized.

Case 1

Aeon Retail Labor Union is the union of a major retailer that operates a nationwide network of stores (420 stores and other business facilities) with a workforce of 107,000 employees, 83% of whom are non-regular workers (90% of whom are women) (as of January 2008). The union's membership includes 15,800 regular workers and 64,800 non-regular workers (91% of whom are women). Between May 2004 and August 2006, Aeon Retail Labor Union unionized 64,000 store clerks, who accounted for most of the female store clerks who were non-regular workers. Consequently, in June 2006, the company accepted the union's demands and signed a union shop agreement under which "community employees," excluding those who work less than 84 hours per month and who do not participate in the employment insurance plan, automatically become union members. As part-time workers had been increasing at a faster pace than before, problems such as a lack of communication and a decline in work motivation had arisen, fueling a sense of crisis within the union about the negative impact on corporate earnings. In November 2001, the union adopted a policy of unionizing non-regular workers. It gradually unionized the large number of non-regular workers, starting with workers with longer working hours, by persuading them to join the union with a call to improve the working environment. Initial success fostered confidence, and part-time workers who joined the union at an early date contributed to the promotion of unionization. The unionization of part-time workers invigorated union activities at the branch level.

Case 2

Sunday's Sun operates 322 family restaurants across Japan, with a workforce of 7,500 employees, 93% of whom are non-regular workers (70% of whom are women) (as of January 2007). The company's union unionized 3,500 non-regular workers, who accounted for most of such workers at the company, between November 2004 and May 2006. Its membership includes 420 regular workers and 3,500 non-regular workers (70% of whom are women). Consequently, the company signed a union shop agreement under which part-time workers aged 18 or over with a service length of seven months or longer automatically become union members (the agreement was signed in May 2006). The union decided to unionize part-time workers because a rapid expansion of the company's network of restaurants had led to frictions between inexperienced store managers and part-time workers, negatively affecting the customer draw, and also because cuts in wages for part-time workers had garnered complaints from the workers and calls from unionized store managers to take some manner of action to deal with the situation. The union's chairman decided to unionize non-regular workers, overcoming his own concerns the implications of such a move after

studying advanced cases of unionization at other companies, and spent a year persuading other union leaders and unionized store managers to agree with his decision. The union compiled an FAQ to help store managers persuade part-time workers to join the union and union executives directly met with reluctant workers to persuade them.

Case 3

Odakyu Department Store operates three stores with a workforce of 2,621 employees, 40% of whom are non-regular workers (91% of whom are women) (as of September 2007). The company's union unionized 700 female store clerks working short hours in a short period of time, between August and December 2007. Its membership includes 1,248 regular workers and 840 non-regular workers (94% of whom are women). The company signed a union shop agreement under which non-regular workers who work three days or more per week and three hours or longer per day automatically become union members. By the time of the unionization of non-regular workers, the number of regular workers had been halved from the peak level, and the increased dependence on non-regular workers as the core workforce had disrupted the division of roles and had fueled employee discontent. The union concluded that it was important to improve working conditions from the perspective of corporate competitiveness and employee morale and to relieve the burden on regular workers, and it adopted a policy of unionizing non-regular workers on the occasion of the request for an increase in the base salary in 2007. Over a period of a month, the union held five briefing sessions a day so as to enable attendance by employees working on widely varying shifts. The union succeeded in recruiting an increasing number of workers through the briefings as it immediately satisfied their requests when possible.

Case 4

Geobit, a subsidiary of Kenwood, operates 30 mobile phone shops across Japan, with a workforce of 134 employees (70% of whom are non-regular workers) and 72 workers from temporary agencies (as of July 2008). Between February and May 2004, Geobit's union unionized 90 store clerks (contract workers), most of whom were young women, with the support of the parent company's union, Kenwood Group Union. In May 2005, Geobit and its union signed a union shop agreement under which fixed-period contract workers with a service length of six months or longer working over 20 hours a week automatically become union members. As of July 2008, 113 workers, who accounted for around 80% of all non-regular workers (most of whom were women), were union members. Kenwood Group Union recognized the need to unionize non-regular workers at Geobit when the full transfer of Kenwood employees working at the subsidiary on loan was proposed in late 2003. As around 70% of all workers at Geobit were contract workers, it was decided that non-regular workers should be unionized. The unionization efforts on a group basis corresponded to the consolidated business management of the Kenwood group. The group's union persuaded regular workers to agree with the decision by pointing out that problems faced by

fixed-term workers are issues that they may face themselves after reaching the mandatory retirement age. The union, with the support of the parent company's union, established a unionization preparatory group comprised of unionized workers on loan (who were scheduled to be transferred to the subsidiary) and engaged in unionization activities using paid holidays. As a result, 90% of all contract workers agreed to join the union over a three-month period.

The above cases are examples of unionization at companies operating retail stores and restaurants at which around 40% to 90% of the entire workforce was non-regular workers. Most non-regular workers are women, and the division of labor is relatively clear. Regular workers are responsible for such operations as procurement of goods and materials and store management, while non-regular workers undertake routine and supplementary jobs. However, non-regular workers also perform some core jobs. Consequently, without the presence of non-regular workers, it would be difficult to keep business going, so a large number of women are employed as workers with short hours. The division of roles and collaboration between regular and non-regular workers is essential to the execution of business operations and could even have a significant impact on sales.

As is observed at many retail stores and restaurants, female non-regular workers, including workers with short hours, account for the majority of overall workers in the above four cases and form the core workforce for sales and other business operations. Nevertheless, these workers were facing such problems as a lack of communication with regular workers and inadequate management of working conditions. As a result, their work motivation declined, their skills failed to be fully utilized, and many of them quit their jobs. This situation led to poor earnings at some companies, fueling a sense of crisis among unions. To resolve this situation, unions adopted a policy of unionizing most of the non-regular workers and made efforts to improve working conditions. Unions also collected opinions from non-regular workers and strengthened communication with them. These efforts were made based on the consensus that if non-regular workers are motivated to work, corporate earnings improve, benefiting unionized regular workers as well. The unionization effort based on that consensus is a common factor in those four cases. Through the unionization of non-regular workers, the unions played a leading role in increasing employees' motivation, improving the employee retention rate and invigorating the workplace.

Although the process of unionizing non-regular workers involved difficulties, the unions attained their goal of unionizing a large number of non-regular workers by holding conscientious discussions and by being resourceful. The companies initially opposed the unionization, but they eventually signed union shop agreements. In these four cases, most of the non-regular workers who worked three days or more per week were unionized. The unionization efforts have led the companies to direct renewed attention to the role of unions.

2. Unionization of Non-Regular Employees Forming the Core Workforce

The following two cases highlight non-regular workers who worked long hours and who engaged in the same jobs as regular workers or in similar jobs.

Case 5

Nippon Meat Packers is a food producer that has 10 factories and a workforce of 3,590 employees, 49% of whom are non-regular workers (69% of whom are women). The membership of the company's union includes 1,740 regular workers and 1,420 non-regular workers (68% of whom are women as of July 2008). Between July 2004 and December 2006, the union unionized 1,400 female part-time workers working on the factory floor, and persuaded the company to sign a union shop agreement under which "partner employees" with a service length of at least a year working 30 hours or longer a week and at least six hours a day automatically became union members (the agreement was signed in November 2006). Although the "employee partner system" had been introduced in 2003 following an increase in non-regular workers, working conditions were not commensurate with the workload, leading to a decline in non-regular workers' motivation and a weakening of unity in the workplace, and this led the union to decide to unionize non-regular workers. Another reason for the decision was a decline in the unionization rate below 50% at some branches. However, as opposition to the unionization of non-regular workers was strong, union leaders needed to persuade the union branch leaders. To overcome differences of opinion with the branches, the union leaders compiled manuals for union recruitment activities and designated some branches as pilot branches. The unionization efforts convinced branch leaders of the role of the union, and the orthodox approach of patiently persuading reluctant workers led to successful unionization.

Case 6

Yazaki Corporation Group manufactures transport machinery at four manufacturing subsidiaries, which together own 12 factories (with a total workforce of around 12,000 employees as of October 2008, 9% of whom were semi-regular workers and 7% of whom were non-regular workers; about 4,200 of whom were workers from temporary agencies). In 1991, the company designated part-time factory workers working at least eight hours a day as semi-regular workers without a fixed term of employment. The majority of employees were semi-regular workers at one branch, and those workers joined the union as special union members as a pilot case. In 2005, the union began unionization efforts at all branches in response to a request from JAM (Japanese Association of Metal, Machinery, and Manufacturing Workers), an industry-based union organization. The union made conscientious unionization efforts while answering questions from branch leaders in light of the results of the pilot case of unionization and the lessons of the unsuccessful unionization efforts made in the past. Union leaders from the headquarters and branches visited workplaces and briefed union members. The union compiled reference materials and DVDs and called for

reluctant workers to join the union. Following these unionization activities, in March 2007, the union and the company signed a union shop agreement under which semi-regular workers with a service length of three months or longer (with daily working hours of at least eight hours) automatically became union members. As a result, 900 workers (many of whom were women in their 50s) were unionized at once.

In the unionization of non-regular employees who form the core workforce of manufacturers, non-regular workers accounted for around 10% to 40% of the entire workforce. If workers from temporary agencies are included, non-regular workers accounted for roughly half of the entire workforce. In the above two cases, directly employed non-regular workers accounted for less than half of the entire workforce. Although non-regular workers increased considerably at the companies, regular workers still constituted the pillar of the workforce. Only internally trained regular workers joined the unions. However, there were many non-regular workers with long lengths of service who engaged in core jobs or who acted as group leaders. This was because the division of labor between regular and non-regular workers changed in line with advances in technology and the sophistication of products, and some jobs undertaken by non-regular workers came to require advanced skills. Consequently, non-regular workers with long lengths of service came to have a status similar to that of a regular worker.

Therefore, in response to the increase in non-regular workers with long lengths of service, labor management was improved to a certain degree. Nippon Meat Packers introduced a wage increase system for “partner employees” who worked at least 30 hours a week in 2003. Yazaki employed part-time workers who worked at least eight hours a day as semi-regular workers without fixed terms of employment and with a mandatory retirement age of 60 in 1991, and introduced a qualification system, bonuses and severance pay. However, the proportion of non-regular workers varied from factory to factory and there were problems related to the division of job duties and the management of institutional systems. In addition, a decline in the unionization rate due to the increase in non-regular workers created a situation in which unions did not automatically become the representatives of workers at factories where non-regular employees accounted for more than a half of the entire workforce.

This situation prompted the unions to unionize non-regular workers and sign union shop agreements with the company. The unionization efforts were targeted at non-regular workers with long lengths of service whose working hours were similar to those of regular workers and who engaged in core jobs. That meant the unionization of most of non-regular workers who had skills critical to the manufacturing of products. However, the unionization efforts were not targeted at non-regular workers working under 30 hours a week and workers from temporary agencies, whose numbers were by no means small. In this respect, the cases of Nippon Meat Packers and Yazaki are different from Cases 1 to 4, in which even short-hours workers with under 30 hours a week were unionized.

Moreover, union branch leaders had greater concerns over the implications of the unionization of non-regular workers in the cases of these two manufacturing companies than in Cases 1 to 4. Very conscientious efforts were made to dispel such concerns. In addition, it was particularly important for the unions to be resourceful, using activities such as designating certain union branches as pilot models of unionization and disseminating the experience gained there to other branches. The unionization led to an improvement in working conditions for the non-regular workers who had come to form the core workforce, invigorated union branches and strengthened the voice of unions.

3. Unionization of Non-Regular Workers Employed as Substitutes for Regular Workers

In the following three cases, which concern a manufacturing company, a transportation company and preschools, non-regular workers engaging in the same or similar kinds of jobs as regular workers or performing the same or similar work duties were unionized after their number increased due to freezes on the hiring of regular workers.

Case 7

Knorr-Bremse Japan is a manufacturer of auto parts and accessories that operates one factory with a workforce of 157 regular workers, 38 workers from temporary agencies and 11 workers employed by subcontractors (as of February 2008). In response to the union's request, the company employed young male workers from temporary agencies who were working on the factory floor as regular workers, and they were unionized (the number of workers thus unionized was seven in both 2006 and 2007). Although the company increased the number of workers from temporary agencies as a result of corporate reorganization, it froze the hiring of regular workers, leading to a rise in the average age of workers. Both the union and the management were concerned over the company's future and the maintenance of product quality. Union members called for workers from temporary agencies to be employed as regular workers. Supported by JAM's policy, the union decided to demand this at the general meeting during the *shunto* spring wage-negotiation season in 2006, and its demand was accepted. As regular workers were covered by the existing union shop agreement, workers thus employed as regular workers were unionized. The union made its decision after ascertaining individual workers' wishes and holding discussions at a general assembly of union members. It made a precise cost calculation and persuaded the company, which had shown reluctance to accept the demand, to come around by pointing out the merits in terms of the transfer of skills to younger workers. The company proposed to combine the employment of workers from temporary agencies as regular workers with an early retirement program, and implemented the proposal. Although the company later criticized union executives, the union showed strong unity, as indicated by a rise in the approval rate for the leaders in a vote of confidence.

Case 8

Hiroshima Electric Railway is a transportation company with 10 business facilities and a workforce of 1,488 employees, 19% of whom are non-regular workers. The membership of the company's union, which is a branch of the Chugoku region private railway union, includes 1,132 regular workers and 246 non-regular workers (2% of whom are women) (as of January 2008). To deal with a shortage of workers amid the severe business environment, the company proposed to hire bus drivers, streetcar drivers and conductors as contract workers. In July 2001, the union accepted this proposal on condition that a union shop agreement be signed. The company agreed to sign the agreement in light of the negative experience it had had with a divided union. In addition, the company employed contract workers with a service length of three years or longer as Type II regular workers (starting in October 2004) and later integrated the wage systems for this new type of regular workers and existing regular workers.

Case 9

At the 24 public preschools in Ichikawa City, Chiba Prefecture (with a total workforce of 712 employees, 57% of whom were non-regular workers, most of them women, as of January 2008), non-regular workers increased due to the curb imposed on the employment of regular workers as a result of administrative reforms. However, many non-regular workers quit the preschools because of inequality between working conditions for them and those for regular workers. On the other hand, the community's need for preschools continued to grow, making it necessary to stem the outflow of skilled personnel. The union of Ichikawa City government workers decided in fiscal 2004 to unionize non-regular workers based on consultations with the Chiba Prefectural head office of the All-Japan Prefectural and Municipal Workers Union. Between July 2004 and June 2005, 97 temporary workers at the preschools (preschool teachers, cooks, etc.) formed a union (comprised of 88 members, with a unionization rate of 68%, as of July 2008). After the unionization, union members were active in encouraging non-unionized workers to join the union.

In the above three cases, non-regular workers were employed as substitutes for regular workers due to a freeze on the hiring of regular workers. As jobs performed by regular workers and non-regular or workers from temporary agencies were the same or similar, it was an important task for the unions to resolve the inequality in working conditions by unionizing non-regular workers. However, in such cases, there are two different types of non-regular worker. One comprises younger people who undergo training after being employed as non-regular workers, and the other comprises people who already have professional qualifications or experiences in specific fields when they are employed. The presence of the different types of non-regular workers has affected the efforts to resolve inequality.

In the case of Knorr-Bremse Japan's union, the company secured the supply of younger workers only through the employment of workers from temporary agencies due to

the freeze on the hiring of regular workers and the absence of directly employed non-regular workers. Given the rise in the average age of regular workers and the decline in their number due to retirement, the transfer of skills to younger workers and the company's future would have been threatened unless the workers from temporary agencies were employed as regular workers. Therefore, the union argued that it was reasonable to employ workers from temporary agencies with a certain level of skills as regular workers, and made an effort to unionize them through their employment as regular workers and resolve inequality.

In the case of the preschool workers in Ichikawa City, people equipped with specific skills, such as preschool teachers and cooks, were employed as non-regular workers to make up for a shortage of regular workers. There was little difference between the jobs performed by regular and non-regular workers, except for a slight difference in working hours. Therefore, if there was not any difference in working hours, it would not have been appropriate to apply different employment arrangements. Non-regular workers grew increasingly discontent with the inequality in their working conditions and formed their own union. However, as the employer was the municipal government in this case, the union made an effort to resolve the inequality in the face of such constraints as the severe fiscal conditions and the laws that prescribe the limits on the number of personnel at administrative organizations.

In the case of Hiroshima Electric Railway's union, the employment of contract workers as regular workers was intended to promote both the training of young non-regular workers and the retention of non-regular workers with specific skills. Bus drivers, streetcar drivers and conductors were employed as contract workers whose wages were determined on the basis of their job type, and they were unionized under a union shop agreement. The union demanded that contract workers be employed as regular workers. After working for three years, these workers were employed as regular workers without a fixed term of employment. However, as the job-specific wage system was retained, the possibility emerged that the status of all regular workers would be changed to that of a Type II regular worker. Since some workers quit the company after acquiring a professional license, concerns about the difficulty of retaining workers grew. In response to the union's demand, the company decided to integrate the wage systems for Type I and Type II regular workers. In October 2009, after three years of negotiations, the union and the company agreed on wage cuts for long-serving regular workers, on the integration of the wage systems into one that provided for a wage increases based on certain conditions, and on pushing back the mandatory retirement age to 65.³ The company has acknowledged the merits in terms of improved mo-

³ Resolution of inequality by non-regular workers who were hired as substitutes for regular workers being hired as regular workers thus led to cuts in the level of working conditions for regular workers. The union placed a priority on the resolution of inequality over the interests of existing regular workers. In negotiating this arrangement, the union did not compromise on the principle of protecting lifetime employment and seniority-based pay regardless of smaller wage raises. That is because adherence to that principle meant the protection of the members' working lives and the survival and pros-

tivation.

4. Unionization of Workers Engaging in Public Service at the Local Level

Case 10

This is a case of unionization in the municipal government of Hachioji City, Tokyo. The Hachioji City government provides administrative services (services provided by the head office, incineration facilities, schools, preschools, etc.) with a workforce of 3,300 employees, 30% of whom are non-regular workers (as of January 2008). In the 1980s, demand for administrative services grew rapidly, leading to an increase in temporary workers. The Hachioji City government workers' union, whose membership comprised only regular workers, began to discuss this problem in the latter half of 1980s, and adopted a policy of unionizing all workers engaging in public service in October 1991. The union decided to consider public service reform and improvement of working conditions for public service workers at the same time, since the provision of public services and the working environment for public service workers are inseparably related. From this viewpoint, the union decided to unionize temporary workers. In October 1992, a new union comprising around 1,000 temporary workers and non-permanent workers was formed (as of January 2008, this union had around 321 members [including 174 re-employed workers], and the unionization rate was 30%). With the cooperation of section managers, who supervised such workers in the workplace and who are union members, the unionization was implemented across the boundaries of different job duties. Workers re-employed after reaching the mandatory retirement age were also unionized. Executive members of the regular workers' union and former executives were appointed as organizers dedicated to this purpose. The separation of the unions of regular and temporary workers made it easier for the latter to express their opinions. With the corporation of the regular workers' union, unionization has proceeded further since then. The temporary workers' union also acts as a union for workers engaging in public service jobs at private companies, aiming to improve working conditions for public service workers as a whole.

Despite an increase in the demand for local administrative services, the deterioration in the municipal government's fiscal situation made it difficult for regular workers alone to provide administrative and various other public services, and this led to an increase in non-regular workers, including temporary and non-permanent workers, and in the outsourcing of services. In light of the increases in non-regular workers and outsourcing, union members promoted the unionization of non-regular workers in the city government, as well as workers at affiliated organizations and private companies. The regular workers' union of the city government served as a consultation center for non-regular government workers and

perity of the company.

non-governmental public service workers, and also as the organization responsible for promoting the unionization of such workers. Specifically, section managers, who supervised non-regular workers in the workplace and who are union members, encouraged non-regular workers to join the temporary workers' union. It also supported the temporary workers' union by assisting with the unionization of workers re-employed after reaching the mandatory retirement age.

III. Factors behind the Unionization Movement and Its Benefits and Challenges

Why have enterprise unions, which previously neglected to unionize non-regular workers and limited their membership to regular workers, come to engage in the activities described above? What provided the opportunity for them to do so and what were the motivating factors? Also, what benefits has unionization produced and what challenges lay ahead for future unionization efforts? Below, we analyze the above cases and identify their common features.

1. Background to and Factors behind the Unionization Movement

Amid the increase in non-regular workers, some of these workers had come to have such a presence as to be critical to business as a core workforce. However, due to inequality between their working conditions and regular workers', non-regular workers faced problems related to motivation, communication and unity in the workplace, creating a situation in which the future of their employer companies could be threatened. On the other hand, regular workers shouldered an increased workload, including an increase in overtime work, due to a drop in the number and proportion of regular workers in many cases.

Because of this situation, unions had grown concerned that their companies' survival and competitiveness could be threatened, and recognized the need to try to improve productivity and ensure competitiveness by fostering a sense of unity in the workplace and enhancing motivation by improving working conditions for non-regular workers. To that end, some unions have concluded that it was essential to unionize non-regular workers.

These circumstances not only indicated the need to resolve inequality between regular and non-regular workers through the improvement of working conditions for non-regular workers. While companies tried to deal with the difficult business environment by increasing non-regular workers, they failed to implement adequate measures to make full use of their personnel by improving labor management accordingly, creating a situation with grave implications for their survival and future. As a result, corporate prosperity based on traditional labor-management relations was imperiled, making it difficult even to protect the livelihoods and jobs of unionized regular workers. Therefore, it was essential to create an environment that would enable non-regular workers to approach their jobs with a strong motivation by unionizing them and improving their working conditions. Unions recognized

that doing so would benefit regular workers as well and would allow them to perform their original role, which is to protect the interests of union members by improving productivity through the utilization of workers' capabilities and making corporate survival and prosperity possible.

Due to the spread of this recognition, the policy of promoting unionization was put into practice. The unions recognized the importance of the non-regular workers who had come to form a core workforce exactly because they were enterprise unions. The scope of non-regular workers who form a core workforce as recognized by a company depends on the circumstances of the company and industry to which it belongs. Therefore, there are various circumstances that distinguish the unionization of non-regular workers: there are cases of unionization at retail stores and restaurants in which workers with short weekly working hours of around 20 hours or longer were unionized; cases of unionization at manufacturing companies where part-time workers similar to regular workers were unionized; cases where non-regular workers employed as substitutes for regular workers were unionized; and cases where unionization was extended to workers engaging in local public services in general.

Unionization had other objectives as well. It was also a response to the threat posed to labor unions' status as the representative of the majority of workers due to a decline in the unionization rate caused by an increase in non-regular workers. In some cases, unionization was implemented with a strong awareness of the importance of using unionization as a measure to reverse the hollowing-out of unions as the predominant supply source of workers to the internal labor market, a status that provided the unions with the power to maintain and improve working conditions. In other cases, unions promoted unionization with an awareness of the need to eliminate the opportunity for other unions to intervene, by recruiting non-regular workers themselves in order to resolve problems through the development and enhancement of existing labor-management relations. Unionization of non-regular workers was promoted as an activity to improve working conditions for employees and lift struggling companies out of a crisis through the restructuring of existing labor-management relations.

2. Benefits of Unionization

The unionization of non-regular workers and ensuing activities have produced the following benefits.

First, working conditions for non-regular workers are starting to improve. Although specifically what has improved varies from case to case, gradual improvements are being made toward equality in working conditions between regular and non-regular workers. The improvements made so far include a resolution of inequality in special discounts for employees, the introduction of, or resolution of inequality in commuting allowances and membership in employee health insurance associations. Moreover companies have raised wages for non-regular workers, which have long been kept at a low level, for example by

equalizing the growth rate of their base salaries with the growth rate of salaries for regular workers. In some cases, unions adopted the tactic of not agreeing on a wage increase for regular workers until the employers proposed a wage increase for non-regular workers. Moreover, rule-making concerning the employment of non-regular workers as regular workers is proceeding.

Second, union activities have been invigorated. In particular, activity at the factory and workplace level has grown actively, and some non-regular workers have come to play a leading role in union activities. In some cases, non-regular workers serve as executives dedicated to such union activities at the union headquarters or executives for general activities at union branches, and an increasing number of non-regular workers are appointed to senior union positions in the workplace. Some unions have established separate committees specific to the type of employment arrangement or have elected union assembly representatives and executives in proportion to the mix of employment arrangement types. That means that non-regular workers have been unionized not merely as nominal members, but as members who are expected to play a leading role in union activity.

Third, unions play an increasingly important role in the implementation of reform at companies and in the workplace. As a result of unions' training programs and efforts to collect workers' opinions and to promote workplace communication, non-regular workers' skills have improved, their motivation has strengthened and the sense of unity in the workplace has grown. Consequently, the retention rate of non-regular workers has risen and such workers are contributing to the improvement of corporate earnings and productivity.

Fourth, due to the confluence of all the above-mentioned results, unions' influence over both companies and union members has grown. As a consequence, union shop agreements have been concluded between companies and unions. Unions have entered a new stage in the development of the internal labor market and labor-management relations that involve non-regular workers.

Fifth, the unionization movement and its benefits are spreading from individual companies to corporate groups and industries. Kenwood Group Union signed a union shop agreement covering non-regular workers with the company on a group basis in 2008. Activities by Aeon Retail Labor Union and Nippon Meat Packers' union, which are the leading unions within their groups, are spreading group-wide. The union of Ichikawa City government workers has started to unionize temporary and non-permanent workers other than those working at preschools.

3. Challenges Ahead

The following are the challenges that still need to be resolved given the problems recognized by the 10 unions cited above, which are advanced cases of the unionization of non-regular workers, and the problems that are just emerging.

First, as unions have unionized non-regular workers working under a diverse range of conditions, they face an increasing variety of problems in conducting union activities. They

need to come up with resourceful ideas for union management operations, including communications and organizing assemblies and rallies. Unions have started to review how they should be organized; for example, they are revising the number of union assembly representatives and union executives and transferring authority to their branches.

Second, as unions have reaffirmed their role and significance through the unionization of non-regular workers and have invigorated union activity, it is becoming increasingly important for them to consider how to pass on the benefits produced by the unionization to younger generations, namely how to promote the education of union members. This is all the more important because of a rapid increase in new union members. It is particularly important to consider what to do with general union executives after their terms of office.

Third, as some progress has been made in the improvement of working conditions for non-regular workers, unions are now confronted with the issue of how to fully resolve inequality between regular and non-regular workers. They face difficult problems such as deciding on what is the fair treatment of non-regular workers commensurate with their jobs and roles, what is the basis for the differences in the treatment of regular and non-regular workers in terms of employee grading and working conditions, and how to treat non-regular workers. In many cases, unions are tackling these problems based on the idea that a step-by-step approach is the only path to a solution. In the case of Hiroshima Electric Railway, the company's union tried to improve working conditions for non-regular workers and achieve corporate prosperity at the same time by promoting the employment of such workers as regular workers and by fostering a sense of unity between regular and non-regular workers by resolving inequalities, regardless of the resulting reduction of wages for regular workers. Advocating equality in working conditions, the union is implementing reform that tackles the classic problem that has continued to confront them to date: how to look at the relationship between job types and duties and wages.

Fourth, in all the above cases but one, it is unclear what unions should do to deal with the issue of how to stabilize the employment of workers from temporary agencies, who are not directly employed by the companies for which they work. Moreover, non-regular workers with short hours who are not engaging in core jobs are not the targets of unionization. This is because there is a strong tendency for companies to use such workers as a buffer against economic cycles. It is difficult for enterprise unions to unionize such non-regular workers because their employment cannot be looked at merely as an internal labor market issue, but must be considered in relation to the external labor market. Therefore, it is increasingly important for unions to consider how they should function at the industry and regional levels, and how industrial unions, regional federations of unions and enterprise unions should collaborate.

IV. Role of Unions and Significance of the Unionization of Non-Regular Workers

In light of the above, we examine what the unionization of non-regular workers means for the role and function of unions. If enterprise unions are to retain their *raison d'être* amid the changes that have occurred in the environment surrounding unions in recent years, the unionization of non-regular workers has a greater significance than ever and it is an issue that the unions must not shy away from.

1. Rebuilding the Role and Function of Enterprise Unions

The employment structure has changed because non-regular workers have increased and they have come to form a core workforce.⁴ Non-regular workers are divided into a core workforce without which business cannot be executed, and a supplementary, temporary workforce that serves as a buffer against economic cycles. Therefore, as was shown in the above cases, enterprise unions have started to rebuild the internal labor market by unionizing non-regular workers who form the core workforce. This means that unions have started to tackle the challenge of reforming traditional Japanese employment practices in response to the changes in the employment structure.

This move reflects the sense of crisis about the emergence of a situation in which the survival and competitiveness of companies are threatened because non-regular workers are losing motivation, their capabilities remain unutilized and they lack sufficient communication with regular workers in the workplace due to a significant inequality between the regular and non-regular workforces, in spite of the fact that the non-regular workers form the core workforce. Unions are trying to ensure the survival and prosperity of their companies and improve wages and other working conditions by unionizing the entire core workforce. If the original function of enterprise unions is to involve themselves in the prosperity of companies through their position as the predominant supply source of workers to the internal labor market in order to enable workers to acquire occupational skills through their working lives and in order to improve their working conditions, we may say that the unionization movement is an attempt to revive that function. The weakening of this function of unions is one reason why the employment structure has changed in such a way as to cause an increase in the proportion of non-regular workers to a third of the entire workforce, leading to a decline in the unionization rate.

⁴ Survey and research reports on the increase in part-time workers and their emergence as a core workforce began to come out toward the end of the 1980s. As for document research, Honda (2006) and Mitsuyama (2008) provide a brief overview of reports on this issue. Those reports examined an increase in part-time workers and their emergence as a core workforce mainly in the retail, restaurant and service industries. From the late 1990s onwards, the changes in the labor market have been accompanied by changes in the employment structure, so further surveys and research need to be conducted to explain their emergence as a core workforce in that context.

If enterprise unions are to perform their original role and function, it is essential for them to expand their membership beyond regular workers, incorporate the entire core workforce and rebuild their position as the predominant supply source of workers to the internal labor market by unionizing non-regular workers who form the core workforce. However, this will not be a mere return to the starting point. Due to its status as an economic giant, Japan has been under constant pressure to change its economic and social structure, including labor-management relations, amid ongoing globalization. On the one hand, Japan faces population shrinkage and a declining birthrate coupled with an aging society, and Japanese people's approach to work is diversifying. On the other hand, the country has been suffering from prolonged economic stagnation and is now confronted with a global economic crisis. Now that the labor market has undergone significant changes, Japan needs to devote a full-fledged effort to solving problems arising from the expanded presence of non-regular workers. In the new social environment, enterprise unions must find a solution to the question of how to improve the internal labor market and rebuild their role and function.

Two major challenges lie ahead. First, the problems faced by enterprise unions require a fundamental review of the conventional employment practices and wage systems, making it necessary for companies to more or less reform the existing system that is based on lifetime employment and seniority-based pay. This is because the labor structure has undergone a change not only on the demand side, but also on the supply side, and the expanded presence of non-regular workers is a typical problem arising from the supply-side change. To address this problem, it is necessary to implement new policy measures such as achieving equality in working conditions, and to create a new function for unions by transcending the existing focus on enabling regular workers to acquire occupational skills through their working lives and to improve their working conditions. The unionization of non-regular workers marks the start of this effort. Second, it is difficult for enterprise unions to unionize non-regular workers who form a supplementary, temporary workforce, rather than a core workforce. However, the number of such non-regular workers supplied from the external labor market is by no means small. Moreover, without the presence of such non-regular workers, it would be difficult to stabilize the internal labor market. In that sense, enterprise unions cannot afford not to make light of the presence of non-regular workers supplied from the external labor market. Even so, it is outside the scope of the function of enterprise unions to unionize such regular workers. Therefore, the role of industry-based labor organizations and national centers is very important. How should Japan create a mechanism that ensures that enterprise unions, industry-based organizations and national centers cooperate with each other in dealing with changes in the labor market caused by economic cycles and in order to improve the employment situation while making effective use of each other's functions? How should the government provide support through social policy measures such as the creation of safety net programs? It is more important than ever to resolve these challenges.

2. Division of Roles between Enterprise Unions and Industry-Based Labor Organizations and National Centers: Significance of Labor Supply Projects

There are many non-regular workers and workers from temporary agencies who have not been integrated into the internal labor market and do not form a core workforce. The function of enterprise unions alone is not sufficient to resolve the issue of how to stabilize the employment of such workers; this is an issue strongly related to economic cycles and the improvement of the social environment. There are few cases in which enterprise unions have sought to unionize such workers. However, as companies need such workers, enterprise unions cannot afford to make light of this issue. The employment of such non-regular workers serves as a buffer against economic cycles and contributes to the stability of the internal labor market. In light of this, it is essential to stabilize the employment of such workers and improve their working conditions by establishing industry-specific and region-specific mechanisms that facilitate the supply of workers to the internal labor market across the boundaries of individual companies, in an attempt to ensure permanent employment in industry-based, occupational-based and region-based labor markets. A major option for proactively creating such mechanisms is the use of labor supply projects, which legally, only unions are permitted to implement. The programs, which have until now been disregarded, have grown very important. Industry-based labor organizations and national centers need to serve as the core of the programs and conduct full-scale labor supply activities in cooperation with enterprise unions. This will make it possible for unions to make substantial progress in the unionization of non-regular workers. Enterprise unions also need to actively engage in the creation of such a labor supply mechanism while dividing roles and cooperating with industry-based labor organizations and national centers. Developing the external labor market through unions' labor supply projects will also be effective in stabilizing the internal labor market and promoting an appropriate work-life balance.

There are 78 labor supply project associations across Japan (as of the end of March 2010). In fiscal 2009, those associations supplied labor worth a total of 1.37 million man-days, performed by 38,000 workers.⁵ The number of workers supplied by the associations is small as there are many constraints.⁶ The association of labor unions involved in labor supply projects (comprised of 19 unions) has started to explore new possibilities that may be opened up by the enactment of a proposed law tentatively called the Labor Supply Project Act. If an activity like this leads to the development of unions' labor supply projects, it could pave the way for permanent employment and improvement of working conditions

⁵ These figures were taken from Tabulation Results of Labor Supply Program Reports for FY2009 by the Ministry of Health, Labour and Welfare. This data was published for the first time in October 2010 by the Demand and Supply Adjustment Division, Employment Measures for the Dispatched and Fixed-term Workers Department, Employment Security Bureau at the ministry. As of the end of March 2009, the number of union members eligible for supply was 8,797 (of whom 7,822 were for permanent employment).

⁶ For the actual circumstances of labor supply projects, refer to Ito (2009a, 2009b).

not only for the non-regular workers who form a core workforce and who are targeted for unionization, but also for many other non-regular workers. Japan has reached a stage at which this is the path that must be taken. For such an effort, leadership of industry-based labor organizations and national centers is essential.

In the recent labor market following significant changes in the employment structure, enterprise unions have taken the first step toward rebuilding their role and function through the unionization of non-regular workers who form a core workforce. If progress is made in the division of roles, with enterprise unions and industry-based labor organizations implementing labor supply projects and national centers unionizing non-regular workers supplied from the external labor market whom enterprise unions find it difficult to unionize, the unions will be given the chance to perform a new role and function suited to the recent social environment.

References

- Hashimoto, Shuichi. 2009. Kigyobetsu kumiai ni okeru hiseiki jugyoin no soshikika jirei no shimesu koto [Study on cases of organizing non-regular employees in enterprise-based unions]. *The Japanese Journal of Labour Studies* 51, no. 10: 41–50.
- . 2010. Hiseiki koyo mondai to kigyobetsu kumiai no yakuwari oyobi sono tenbo [Employment of non-regular workers and roles of and prospects for enterprise unions]. *Social Policy and Labor Studies* 2, no. 1:27–37.
- Honda, Kazunari. 2006. Pato taima no roshi kankei: Pato kikanka to rodo kumiai ni chakumoku shita bunken sakei [Labor-management relations concerning part-time workers: A document survey focusing on the emergence of part-time workers as a core workforce and labor unions]. *The Kokugakuin University Economic Review* 54, no. 1:61–91.
- Ito, Akinobu. 2009a. Rodosha kyokyu jigyo no ayumi to kadai, tenbo (Jo) [History of and challenges for labor supply projects and future outlook (Part I)]. *Rodo Horitsu Junpo*, no. 1702:36–44.
- . 2009b. Rodosha kyokyu jigyo no ayumi to kadai, tenbo (Ge) [History of and challenges for labor supply projects and future outlook (Part II)]. *Rodo Horitsu Junpo*, no. 1704:26–36.
- Miyama, Masako. 2008. Pato rodo bunseki no tameni: Koyo keitai kategori kaitai ni mukete [For analysis of part-time work: Toward deconstruction of employment arrangement categories]. *The Japanese Association of Labor Society*, no. 18:55–70.
- Nakamura, Keisuke. 2009. *Kabe wo kowasu* [Tearing down walls] Tokyo: Daiichi Shorin.
- Research Institute for Advancement of Living Standards. 2009. *Hiseiki rodosha no soshikika chosha hokokusho* [Survey report on the unionization of non-regular workers]. Tokyo: Research Institute for Advancement of Living Standards.